

Labor Loyally Buying All Liberty Bonds

Concrete Facts About Millions of Subscribers and Whole-hearted Support Given by Unions

By AGNES C. LAUT.

IS labor buying Liberty bonds?
Is labor paying its share of the income tax?

Is labor loyally toiling to win the war, or is it using the war as a club to bring capital to its knees?

These questions have been asked. I may say that labor considers each of them to be an insult, and for reasons that I shall presently give in labor's own words. I may add that in all the chaos of the present industrial situation the brightest gleam on the horizon, the star arising in the east to lead the world to a new partnership between capital and labor, seems to me to be the educative influence of the Liberty bond campaigns teaching labor to become an investor in capital, a partner with capital, rather than an enemy pulling the economic world down in ruin.

Recently I went through a great ammunition plant roofing more than seventy acres and employing a minimum of 16,000 men and women, a maximum of 20,000 engineers, chemists, professional specialists who had spent five or six years schooling themselves for their work and at least ten more years in subordinate positions, gaining experience in their work, receiving salaries all the way from \$50 to \$100 a week; but the skilled, fast workman in that same plant was a very inferior type indeed who was not clearing \$75 a week, and the majority of the skilled workmen—all under 35 years of age—by working overtime and double time on Sundays were pulling down from \$100 to \$150 a week.

Work Kept Up at Tense Point.

The work was not at a fevered pace, but from end to end of the factory it was tense to the point of being almost terrific. Those men and women knew, they were a part of the war. They were putting something very vital to the war over the top.

They knew they were the reserve behind the firing line; and when they caught a German spy punching concealed holes in something they would have lynched him but for the rescuing hands of the police. There was not a doubt, not for the fraction of a second, whether that section of labor was loyal or not. It would have organized a firing squad or lamp post brigade in about two more minutes.

That is all right. Labor in that factory is loyal and it is probably typical of nearly all big war plants; but is labor buying Liberty bonds? Is it carrying its share of war's financial burdens?

The charge has been made that labor is not, and the charge usually takes this form: When the last Liberty bonds were sold countless professional people, men and women earning far less than these munition workers, borrowed money from the bank or let other debts stand or drew from savings to buy bonds. Did labor do the same? The answer has been made, it did not, and in proof the finger has been pointed at increased savings deposits in all the bank centres where there are munition works.

The deposits by big wage earners did not show any shrinkage when the last bonds were launched. Therefore it was charged labor was not buying Liberty bonds; and if capital was buying Liberty bonds and labor was not, then our system of war finance was simply an invisible conscription of wealth.

Vague Way Charge Was Made.

The funds you and I borrowed to buy bonds, the debts we incurred for bonds, were simply withdrawn from general circulation to go back through war spendings into higher and higher wages for labor, which was not buying bonds at all. If that was not conscription of savings and self-denial for the benefit of labor what was it? That was the vague way the charge was made.

It caused burning resentment against the higher and higher wage scale; but, as one of the greatest munition employers in the country declared: "We have to win the war, no matter what the cost. We have to speed up, no matter what the



cost; for speed is victory. Afterward, when we have won, we will all get together and take care of the industrial reorganization that must come."

The curious thing is labor has never been consulted on this charge; and I shall quote the answer to the charge from a man who has been a union leader all his life and from a woman who has been a trades union leader all her life, both of whom are handling the present Liberty bond campaign among the unions. I shall quote them as one because they made their statement together:

"The charge that labor is not buying Liberty bonds," they said, "is on the face of it perfectly preposterous. There were, we'll say, 18,000,000 subscribers to the last loan. Now there are not more than 500,000 capitalists in the United States, using the world capitalist as the class that lives on unearned income.

"Of the 17,500,000 left you can't take more than 1,500,000 as professional people. Take another million off, if you like, for such miscellaneous subscribers as office people, teachers, women who are living on small savings.

How 15,000,000 More Came In.

"That leaves 15,000,000 people who are workers with their hands, whether they belong to labor unions or not—the housewife who works in her own kitchen, the straight union railroad man, the dressmaker, the sweatshop worker, the steel workers, the longshoremen, the teamsters, the bricklayers, the carpenters, the painters, the plumbers, the machinists, the printers, the textile workers, the foundrymen, the farmers. On the very face of it these are the people who must have made up at least 15,000,000 subscribers to the last loan.

"We know what the unions, as unions, subscribed from union funds, and we can give you the amount of our own district presently; but an analysis of subscribers to former bonds did not classify them as labor and non-labor and so enable us to nail that lie; but on the very face of it isn't it preposterous to suppose that of 18,000,000 subscribers to that last loan at least 15,000,000 were not laborers, in the sense of workers with their hands?

"But many of the labor subscriptions were concealed. We are avoiding that in this loan. The loans were farmed out from the big banks to the district banks. The district banks in turn sent for their big customers, the wholesalers, the manufacturers, the big borrowers. They said: 'We want you to take such and such a quota of this loan.'

"The banks' customers took their assigned quota. The customers then went to their employees and said to each: 'Now we want you to take such and such a number of bonds, according to your earnings and to what you can afford; and the employees did so. But when the returns came in, please note, the total subscrip-

tions were credited up to, not labor, but to the big employer."

In confirmation of this answer I looked up one grouped subscription for \$18,000,000 classed to a certain New York trade in the last loan. Of that \$18,000,000 all but \$300 had been contributed by the highly paid employees.

"The aim was not to deny credit where credit was due," the labor leaders went on. "It was simply the way the last loans were farmed out. The whole country was new to the game, but the false impression was given as to labor's share in the subscriptions.

"As to the charge that in certain sections the bank deposits of foreign workmen receiving high wages did not show a decrease when the last loan was launched, yes, that was true; but I am going to show you why it was true. The bond buying habit is so new to the whole country and has come so suddenly on us that we did not have foreign agents and solicitors organized to go among these workmen and explain to them what the bonds were and how to get them. Both of us know of cases where Italian and Greek workmen came to their unions asking where and how to get these Government bonds.

"The other reason why the bank deposits of these foreign workmen did not show a temporary shrinkage when the last loans were launched was that these men were receiving wages so far above what they ever received before that they paid for their bonds slap down out of their week's wages or by instalments of \$5, \$10, \$20 a week. They did not draw on their savings.

"They left their savings safe and intact against the days of uncertainty that they know will come when munition works shut down. We recall one case where a foreigner said: 'No, not \$4 a week, nor \$5 a week against my wages; but put it down at \$50 till it is paid for.' He considered that and his labor as his substitute for bodily fighting, and he was glad to pay the price."

Why They Own Motor Cars.

I drew another labor organizer's attention to a well known case where of ninety miners in one village seventy-eight owned motor cars. Did that seem to point to high wage earners as savers and buyers of Liberty bonds? I did not draw his attention to the case to anger him, but to clear the air of false inferences.

"Yes," he answered, "and why had they motor cars? Why are there hundreds of cheap flivvers parked outside this very plant?" (A plant which has sprung to a pay roll of 20,000 since January of 1918, when the ground where the seventy-five acre factory stands was a swamp and sand heap.) "They had the cheap cars because when the scarcity of fuel came last year and when the street cars failed, those workmen would not have been able to get

Immense Value of Workers Becoming Capitalists Will Be Realized More Fully After the War

to and from work without walking eight or nine miles, as they tried to do and failed to do last year in certain Pennsylvania centres.

"Munition works have grown up so suddenly and so far from old centres that the big problem has been to get the workmen in and out, though the factories release shifts at 12, 12:30 and 1, and at 5, 5:30 and 6 on purpose not to blockade and jam traffic all in one bunch."

Lining the factory yard where he was talking were rows and rows of cheap cars and trucks, each bought jointly by half a dozen workmen, who used them as jitneys to come and go. I saw as many as ten men packed in one flivver. Divide a second hand flivver by ten owners and the cost per year is scarcely \$10 more than single car fare; and many of these men would have had to pay three fares to go from a remote suburb where they lived across a city belt line to another section where the munition plant had sprung up. I tried the street car line myself twice at the rush hours, and it made New York's worst strap hanging jams look something like Goldsmith's deserted village. Policemen had to handle car stops.

Unions Invest Their Funds.

The most conclusive evidence of how labor regards Liberty bonds is found in the policy of the unions as unions, not as individual investors. The unions know that after the war their members will be coming back from the service, out of jobs, some maimed, some unfit for work for life; and their reserve funds of union money they are setting aside to take care of such members.

They are setting such funds aside by investing the total in Liberty bonds. I could give case after case of such investment, one of \$7,500; another of \$25,000; yet another of \$10,000, and these were only local unions around New York.

Take a few figures as to exactly what labor did for the first, the second and the third Liberty Loan. Members of the carpenters unions in the Second Federal Reserve District took nearly \$2,000,000 in bonds. Machinists invested \$50,000 of their international funds in Liberty bonds.

Members of the boilermakers' unions took \$1,000,000 in bonds. Electrical workers invested \$100,000 of international funds in bonds. Typographical union members privately took nearly \$1,000,000 of bonds. Of international funds they put \$60,000 in bonds. Firemen and engineers put \$275,000 of international funds in Liberty bonds; rail trainmen, \$270,000; telegraphers, \$200,000; carmen, \$200,000; conductors, \$100,000; boot and shoe makers, \$110,000; garment workers, \$100,000—these figures for the Second Federal Reserve District only.

Refutation Is Wholly Complete.

As to the charge that labor is not paying its share of the income tax, that, in fact, labor paid only 1 per cent. last year, the refutation is equally complete. In the first place we have been in the war only a year, and the income tax is only a year old. This year, not last, is the test year on the income tax.

In the second place, big wages to-day are being paid in what are practically Government supervised plants. To dodge the tax could only be accomplished through connivance of the Government.

Come back to the challenge in question. Is labor buying Liberty bonds? Is labor paying its share of the income tax? These questions have answered themselves.

It is when you come to answer the third and most dangerous question of all, is labor toiling to win the war or using the war as a club to bring capital to its knees? that a light comes up over the horizon that promises to abolish all the old contest between capital and labor. You remember what Mr. Roberts of the National City Bank said about a ground of compromise between capital and labor after the war. Listen now to what a labor leader says: "On the fourth loan we have put our own union leaders out in the field to handle the situation. Two

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